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January 10, 1992

Mr. Don A. Ostler, P.E. Executive Secretary Division of Water Quality Department of Environmental Quality State of Utah Salt Lake City, Utah 84114-4870

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JAN 1 3 1992

DIVISION OF OIL GAS & MINING

Re: Hecla Mining Company, Escalante Tailings Facility

Dear Mr. Ostler:

Hecla Mining Company appreciates having had the opportunity to meet with you and members of your staff to discuss the status of Hecla's Escalante Tailings Facility under the State's ground water quality protection program. Hecla appreciates the importance of protecting the ground water resources of the State of Utah. Hecla proceeds to reclaim the Escalante Facility, confident that an agreement can be reached with the Division of Water Quality that will achieve that objective without imposing an unnecessary permitting burden on Hecla.

In working toward that objective, however, Hecla considers it to be significant that the Escalante Facility was constructed under a permit from the Utah Water Pollution Committee that imposed regulatory constraints determined to be appropriate at that time. Moreover, Hecla continues to question the authority of the Division to apply the ground water regulatory program to a facility that has ceased operation and is being reclaimed.

As discussed during the meeting, Hecla will be providing to the Division additional data and analyses that confirm previous reports submitted by Hecla indicating that the facility is not discharging and would not probably result in the discharge of pollutants to the ground water. In particular, the additional to be provided will focus on the assurance/quality control tests conducted during construction of the facility, the characteristics of the foundation on which the

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facility is built, and the location of the down-gradient monitoring well.

After the Division has had an opportunity to review the additional material, Hecla would be willing to discuss any technical issues that may be of interest to the Division. Hecla also is willing to discuss with the Division a post-closure monitoring program that is appropriate to the circumstances of this situation. Pending the outcome of this further dialogue with the Division, Hecla understands that the deadline for submitting a ground water permit application established by the Division's letter of January 31, 1990 has been extended until further notice is received from the Division.

Hecla appreciates the opportunity to discuss this matter with you and looks forward to achieving a solution that is satisfactory to both the Division and Hecla.

Very truly yours,

David L. Deisley

cc: F. Nelson

W. Hedberg

L. Drew

M. White

R. Reeder

D. Bird